



NON-LINKED PROTECTION AFFORDABILITY OPTIONS

THIS IS NOT A CUSTOMER DOCUMENT AND IS INTENDED FOR FINANCIAL BROKERS ONLY

We understand that some of your clients may be experiencing financial difficulties as a result of the COVID-19 crisis. Clients may be concerned about managing their cashflow as well as holding onto valuable protection benefits. At present, in the case of protection plans which aren't unit-linked, non-payment of any sort results in the cancellation of cover. With this in mind, we are introducing new affordability options for these types of protection plans.

The options will be available on all non unit-linked protection: **Level Term Assurance, Life Term Assurance, Mortgage Protection, Pension Term Assurance, Whole of Life and Income Protection***.

**The offer is available on income protection, but it is important that a client contacts us if they have been made unemployed. If a client becomes unemployed their cover ends, and we do not want them to pay for benefits they cannot claim.*

WHAT OPTIONS ARE AVAILABLE TO MY CLIENTS?

Clients experiencing financial difficulties will be offered the option of a three month break from premium payments while maintaining their cover and benefits in full. We are conscious that clients who take up the offer may not be able to immediately repay the premiums owed at the end of the three-month period.

To help ease the burden for those clients, they can choose one of two options to pay back the premiums owed:

- **Option A:** repay over the following twelve months, meaning the monthly payment will increase by 25% for 12 months. At the end of the 12 month period the premium returns to normal. There is no additional charge for this option.
- **Option B:** repay over a 60 month period, meaning the monthly payment will increase by 5.5% for 60 months. At the end of the 60-month period, the premium will return to its normal level. Clients will agree to pay back the premiums owed plus 10%. This small charge is required to help manage the cost of the offer. It isn't an interest rate charge, but is equivalent to an interest rate of 3.75%.



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HOW WILL THE OPTIONS WORK IN PRACTICE?

Here are two examples of how the options will work, one on a level plan and the other on an indexed plan.

EXAMPLE 1

Your client currently pays €50 per month on their **level policy** and decides to take a three month premium break (April, May and June 2020):

OPTION A

From July 2020 your client will pay €62.50 (an additional €12.50) a month for the next year.

In July 2021 their monthly premium will return to €50 per month.

OPTION B

From July 2020 your client will pay €52.75 (an additional €2.75) a month for the next five years.

In July 2025 their monthly premium will return to €50 per month.

EXAMPLE 2

Your client currently pays €50 a month on their **indexing policy** and decides to take a three month premium break (April, May and June 2020):

OPTION A

From July 2020 your client will pay an additional €12.50 per month for the next year. Their "normal" premium will index during the year and the additional €12.50 per month will not.

In July 2021 their monthly premium will return to the indexed level of the "normal" premium.

OPTION B

From July 2020 your client will pay an additional €2.75 per month for the next five years. Their "normal" premium will index annually but the additional €2.75 per month will not.

In July 2025 their monthly premium will return to the indexed level of the "normal" premium.



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HOW CAN YOUR CLIENTS AVAIL OF THE OFFER?

Your clients can avail of this offer directly by contacting Irish Life Customer Service on 01 704 1010. Our customer service team will discuss the options available to them and confirm the repayment terms. The changes made to the plan will be confirmed in writing to the client.

OR

You can email affordability@irishlife.ie to get details of the repayment terms for both options, to discuss with your client. Your client will need to email you confirming the option they wish to take. Please send their response to affordability@irishlife.ie. Our customer service team will confirm the changes made to the plan in writing to the customer.

TERMS AND CONDITIONS

- To avail of the options, policies must move to monthly Direct Debit payment, if not already being paid in this way.
- Option B will be available if the remaining payment term is greater than 15 months. The repayment term will be the remaining term on the plan, if the remaining term is between 15 and 63 months.
- If option B is chosen and the remaining payment term is less than 60 months, the charge will be reduced proportionally.
- If indexation falls during the three month break it won't be applied this year, but will be offered again the following year as normal.
- If the client calls customer service directly, all calls will be recorded.